3. The banks have to also observe the credit exposure norm of 25 per cent of the net worth in the case of individual borrower and 50 per cent in the case of group of borrowers.

(c) The names of public sector banks which have gone public during 1993-94 and 1994-95 (so far) and the details of their capital to risk asset ratio before issue and after issue, as reported by RBI are given below;

Name of the Bank	Capital to risk asset ratio	
	Before issue	After issue
1993-94		
State Bank of India	4.5%	12.9%
1994-95 (so far)		
Oriental Bank of Commerce	10.2%	Details of subscription collected, retained etc. hav not yet been finalised by the bank.

The following banks have so far indicated their desire to raise capital from the public during the year 1994-95 or later:—

(1) Bank of Baroda
(2) Canara Bank
(3) Corporation Bank
(4) State Bank of Hyderabad
(5) State Bank of Travancore
(6) State Bank of Indore.

Observation of austerity measures

2071. SHRI SYED SIBTEY RAZI: Will the Minister of FINANCE be pleased to state:

(a) whether some guidelines have been issued from time to time to various Ministries from June, 1991 to till now to observe austerity measures and reduce expenditure;

(b) if so, the details of such guidelines issued at each spell of time:

(c) whether these measures have yielded any results; and

(d) if so, the details thereof, Ministry-wise and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Keeping the Government expenditure under control is a continuous process and instructions on various economy measures such as reduction in posts at various levels, ban on air travel by first class, ban on accommodation in hotel suites while on tour, reduction in consumption/expenditure on petrol/diesel reduction on expenditure on Over-Time Allowance, surrender of telephone lines, restriction on purchase of vehicles, etc. are issued from time to time.

(c) and (d) The Ministries and Departments of the Govt. of India are required to follow the instructions mentioned at (a) and (b) above. However, details of economy achieved are not centrally available.

Service Area Approach Scheme in Banks in Gujarat

2072. SHRIMATI URMILABEN CHIMANBHAI PATEL: Will the Minister of FINANCE be pleased to state:

(a) the number of villages allotted under the scheme of service area approach to branches of public sector banks in Gujarat State; and

(b) the norms fixed by the above banks with regard to giving loans for rural development?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Reserve Bank of India (RBI) has reported that 14873 villages have been allotted to branches of public sector banks under Service Area Approach in Gujarat.

(b) Reserve Bank of India has issued various guidelines to the banks under Service Area Approach (SAA) Scheme. Normally, service area of each bank branch comprises of specified villages and Annual Credit Plans (ACP) are prepared for the service area by each branch after survey of villages in the service area for assessing the potential of lendings and identification of beneficiaries for assistance. This is intended to ensure smooth flow of credit to the desired sectors. Under SAA scheme, credit facilities cover advances under Government sponsored programmes as also advances under different sectors such as agriculture, small scale industries, rural artisans, village industries and service sector. Advances under various Government

sponsored programmes/schemes are provided by banks as per norms stipulated under respective programmes/schemes by the Government and Reserve Bank of India.

Audit of Foreign Currency Account

2073. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether RBI ordered as special audit of the foreign currency (non-resident) accounts for the period April, 1990 to March, 1994;

(b) whether the foreign banks were also subjected to special audits; and

(c) if so, the reasons therefor and findings thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c) A special audit has been instituted by the Reserve Bank of India to reconcile the books of the Reserve Bank of India and the authorised dealers handling foreign currency non-resident accounts transactions in order to locate any discrepancies in interest claims and purchases made by the authorised dealers from the Reserve Bank of India. The auditors have been advised to cover a period of four years from April 1, 1990 to March 31, 1994. The irregularities in individual banks, including foreign banks, if any, would be known only after the special audits are completed.

Expedite Reforms for Loans

2074. SHRI DEBABRATA BISWAS:
SHRI JOYANTA ROY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that World Bank has asked Government to expedite the reforms in order that India becomes qualified to get loans; and

(b) if so, the reaction of Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Since June 1991, the Government has initiated a programme of stabilisation and economic reforms. The objective of the Government has been to consolidate the gains of the reforms already undertaken as well as to accelerate the pace of reforms in the sectors in which the progress has so far been weak. Further reforms in these sectors is, therefore, not only a part of Government policy but will also make the environment more conducive and improve the viability of projects which World Bank can finance.

News-Item Captioned Lack of Exit Policy Hindering Investment

2075. SHRI VIREN J. SHAH: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news item which appeared in the 'Economic Times' of September 20, 1994 under the caption, "Lack of exit policy hindering investment";

(b) if so, what are the facts and the relevant details in this regard;

(c) whether absence of exit policy, re-infrastructural constraints and red tape are the major factors inhibiting sizeable Japanese investment in India; and

(d) if so, what concrete steps the Government have taken or propose to take to remove these and other constraints and to encourage foreign investment in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (d) The information is being collected and will be laid on the Table of the House.

Acceptance of Pay Orders Issued by Banks

2076. SHRI MOHAMMED AFZAL *ALIAS* MEEM AFZAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government Departments accept pay orders issued by the Banks;

(b) whether pay orders issued by the Non-scheduled Primary Urban Co-op. Banks are also accepted; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Cheques, drafts and Pay Orders issued by 'A', 'B' or 'C' class Central Co-operative Banks/Non-scheduled State Co-operative Banks are accepted as Security by the Government Departments.

(c) In view of reply to part (a) and (b) above, question does not arise.

Outstanding Loan Against Farmers

2077. SHRI BHUPINDER SINGH MANN: Will the Minister of FINANCE be pleased to state:

(a) the total loan outstanding against the farmers of the country, year-wise for the last three years;

(b) the total interest paid on these loans, year-wise; and